



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 2/5/2004

GAIN Report Number: E24023

European Union

Livestock and Products

Export refunds on pig meat

2004

Approved by:

Justina Torry

U.S. Mission to the European Union, Brussels

Prepared by:

Karin Bendz

Report Highlights:

The European Commission reintroduced export refunds for pig meat. This measure was taken in an attempt to regain stability on the EU market.

Export Refunds are eligible on fresh, chilled and frozen pig meat that is exported to all third countries except the 10 accession countries and the candidate countries Romania and Bulgaria.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E2]

Export refunds re-introduced for pig meat until end of April:

From the European perspective the pig meat sector faces a major crises. The Euro is currently very strong against the dollar, feed prices are very high due to last summers draught and consumers demand for pig meat is extensive.

In order to tackle these problems and in an attempt to rebalance the EU market, the European Commission decided to reintroduce export refunds on pig meat from Jan 27, 2004. The Commission wants this to be a short-term measure. Refunds are eligible only until April 2004. Export refunds for pig meat have not been applied since June 2000.

EU export refunds are eligible on exports of fresh, chilled and frozen pig meat. The Pig meat Management Committee set the rates at 40 Euro/100 kg for half-carasses and cuts, and at 25 Euro/100 kg for bellies for export. At the same time, the refund rate for dried hams (Inc. Parma Ham) has been reduced to 56.5 Euro/100 kg.

The export refunds are eligible to all third country markets except the 10 new member states and the two applicant countries Romania and Bulgaria.

Slovenia and Latvia expressed concerns earlier about export refunds – and the potential for competition with meat from the CC-10 on the Russian market – industry sources have pointed out that Poland did not help the situation in December when it introduced refunds on its pork exports to Russia. Russia is the most important European export market, which introduced restrictive import quotas last year.

Emphasizing that “exceptional circumstances call for exceptional measures”, the Commission also confirmed that the export licenses awarded with refunds will have to be used by the end of April of this year, in hopes of rebalancing the EU market prior to EU Enlargement.

The pig meat Management Committee meeting also envisaged the suspension of Private Storage Aid, which was opened in December 2003. While the meat in Private Storage Aid will have to come out of storage within 6 months, much of it is already intended for export, notably to the Japanese market where the current safeguard measures are due to be lifted on April 1, 2004.

The problems on the EU pig meat market additionally lead to the introduction of French national pig meat aid. Under this plan some 15 million Euro will be made available to stop pig production. Other measures include: reducing the number of producer groups, encouraging the establishment of a stabilizing fund for times of market crisis, strengthening the abattoir, establishing a price quotation for cuts, streamlining the environmental regulation, having market activities and having better quality labeling.

Information contained in this report was transcribed from Agra-Facts and from FAS Paris.

Visit our website: our website www.useu.be/agri/usda.html provides a broad range of useful information on EU import rules and food laws and allows easy access to USEU reports, trade information and other practical information.

You can also E-mail us at: AgUSEUBrussels@fas.usda.gov